REMARKS

Claims 1-44 are pending. Claims 1, 6, 8, 17, 20, 21, 26, 28, 29 and 32-44 have been amended without narrowing their scope.

Claims 8, 17, 26 and 38 were objected to due to informalities. Those claims have been amended, inter alia, in accordance with the Examiner's recommendations to overcome the objection.

Claims 3, 4, 6, 20, 21, 26, 28, 29, 32, 33, 34, 36 and 43 were rejected under 35 U.S.C. §112, second paragraph, as indefinite. As amended, the claims are clearly believed to meet the requirements of §112, second paragraph. It is requested that the rejection be withdrawn. Applicants wish to point out that claim 43 had already been amended, in the Preliminary Amendment dated April 27, 2005, to change "419" to "41."

Claims 1-13 and 32-44 were also rejected under 35 U.S.C. §101 as not being statutory. As to the method claims, those claims have been amended and now are clearly tied to a statutory apparatus, i.e., a system having a plurality of computers connected on a network. As to claims 32-43, those claims have been amended to recite a statutory article of manufacture, namely a computer-readable medium. Withdrawal of the rejections under §101 is requested.

Claims 1-5, 8-15, 17, 18, 23, 24, 26, 31-34 and 39-43 were rejected under 35 U.S.C. §103(a) over U.S. Patent Publication 2007/239591 (May). Claims 6, 20, 21, 28, 29, 35, 36 and 44 were rejected under 35 U.S.C. §103(a) over May in view of Official Notice taken by the Examiner. Claims 19, 22, 27 and 30 were rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2002/91617 (Keith). Claims 7, 16, 25 and 37 were rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2003/9241 (Bansal et al.). Claim 38 was rejected under 35 U.S.C. §103(a) over May in view of U.S. Patent Publication 2003/18561 (Kinchen et al.). Applicants traverse.

Claim 1 recites, inter alia, the submission of credit limits specifically for an auction with the return of a notification of unused credit after the auction. Among other things, this provides the

benefit of being able to allocate credit only for the period of the auction, so that credit is not tied up for long periods of time (see e.g., page 3, lines 12 to 16 of the specification).

May relates to anonymous trading system that enables dealers to set up credit *preferences* in the context of an auction system. Credit preferences are defined at paragraphs [0069] and [0070] of May as a model which allows the system to handle different measures of risk equivalent used by different institutions and different financial contracts, or with different internal structures. Credit preferences are not credit limits, but a measurement of risk.

In relation to independent claims 1, 14, and 23, Applicants submit that May does not disclose the submission of credit limits specifically for an auction with the return of a notification of unused credit after the auction. The Office Action appears to be taking the position that credit preference screening is indicative that participants are notified of credit allocated. This is not correct.

The credit preferences exist within the trading system of May, and are used for a wide variety of trading activities including auctions. They are not specific to the auction and there is no return of credit limits after the auction. In May, credit preference screening is used to determine whether two parties can be matched, but it is not the same as returning un-allocated credit. Credit screening merely sets up the ground rules for whom can be matched with whom and does not convey the idea of a temporary allocation of credit.

The other independent claim, claim 44, relates, inter alia, to the fixing of benchmarks for an instrument at intervals during the trading day and executing a matched order when the bench mark price indicated in the order is fixed. Furthermore, it requires receiving credit limits from participants.

In this regard, the Office Action notes that May teaches that benchmark securities are issued each month (paragraph [0289] of May). However, this has nothing to do with the arrangement of claim 44 that requires benchmarks for an instrument to be fixed at intervals during

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the trading day as a function of the trading system, and whereas the benchmark of May is set by the US treasury and is independent of the trading system.

The features of claim 44 are particularly advantageous in that a rush into the market can be avoided (see page 6, lines 28 to 37 of the specification) by orders being tied to benchmark prices, so that they can be matched immediately even though the orders are not executed until the benchmark indicated in the order is fixed. As a result, the trader does not have to wait until the trade takes place, at periodic times through the trading day, to see that his position is covered. Issuing benchmark bonds by the US treasury would not provide this advantage even if they were issued more frequently than monthly. Furthermore, May does not use credit limits; it uses credit preferences.

The other cited references do not remedy the abovementioned deficiencies of May as a reference against the independent claims. For at least the foregoing reasons, the independent claims are clearly distinguishable over the cited art. The dependent claims are believed patentable for at least the same reasons as their respective base claims.

In view of the above amendments and remarks, applicants believe the pending application is in condition for allowance.

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                                            Electronic Signature: /Richard LaCava/
                                            Richard LaCava
                                               Registration No.: 41,135
                                            DICKSTEIN SHAPIRO LLP
                                            1177 Avenue of the Americas
                                            New York, New York 10036-2714
                                            (212) 277-6500
                                            Attorney for Applicant